

HOUSE BILL 524

By Forgety

AN ACT to amend Tennessee Code Annotated, Title 49,  
Chapter 3, relative to administrative hearing  
procedures available to local education agencies.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 49-3-314, is amended by adding the  
following language as a new subsection (d):

(d)

(1) If the commissioner determines that a local education agency (LEA)  
is not in compliance with state law or the rules and regulations governing the  
LEA's administration or operation, and, in the commissioner's discretion, the  
LEA's noncompliance warrants the withholding of state funds from the LEA as a  
form of penalty, punishment, or sanction, the LEA is entitled to a hearing on the  
merits of the commissioner's decision in accordance with this subsection (d).

(2) If the commissioner determines that state funds should be withheld  
from an LEA under this part, the commissioner must submit written notice to the  
LEA of the commissioner's decision within five (5) business days. The notice  
required under this subdivision (d)(2) must:

(A) Provide the reason for the commissioner's decision; and

(B) Advise the LEA of its right to commence an appeal of the  
commissioner's decision to withhold state funds by filing a petition for  
review with the administrative procedures division of the office of the  
secretary of state within fifteen (15) business days of the notice date.

(3) Notwithstanding § 4-5-301(c)-(d), a hearing under this subsection (d) must be conducted by an administrative judge employed in the administrative procedures division of the office of the secretary of state sitting alone in accordance with the contested case provisions of the Uniform Administrative Procedures Act, compiled in title 4, chapter 5, part 3.

(4) Notwithstanding § 4-5-316 or § 4-5-322(c), the commissioner's decision to withhold state funds from an LEA is stayed during the pendency of a hearing under this subsection (d).

(5) Notwithstanding § 4-5-314(b), a decision of the administrative judge constitutes a final order that is not reviewable by the department of education, and may be directly appealed to the chancery court of Davidson County or to the chancery court in the county in which the LEA is located pursuant to § 4-5-322.

SECTION 2. This act shall take effect upon becoming a law, the public welfare requiring it.